

1 Q Basically, though, on the day you sent the letter
2 to Mr. Hicks that was contemporaneous with the time that you
3 had the conversation with Mr. Dille and Mr. Watson?

4 A I think it was probably on the same day. It
5 wouldn't have been more than a day different, I don't think.

6 Q Now, with that in mind, try to focus in on the
7 conversation itself, and if you can, reconstruct for us what
8 it was that you discussed with Mr. Watson and Mr. Dille.

9 A I -- I know it says Watson. I think I discussed
10 it with John Dille. I believe he had in front of him when I
11 talked to him the language of an amendment that's in the
12 exhibits that had a signature line for both him and his
13 father and it was a dual statement from the two of them.

14 I think when I sent that to John we discussed
15 whether his father was down in Florida and ill, whether we
16 wanted to -- could we do it without going down and getting
17 his father to sign all of this because he was ill. And I
18 told him that I thought we could have it signed just by you
19 and you represent it on behalf of yourself and your father,
20 and amended the -- amended the, or redid the amendment so
21 that it was signed just by John. I think that's the thrust
22 of what I discussed with him.

23 Q Would the sequence of events then be that after
24 you had this conversation with Mr. Dille, that you redrafted
25 the statement and sent it back to him?

1 A I believe that is correct, yes.

2 And then I -- I think they retyped it on their
3 letterhead, I think, verbatim and sent it back.

4 Q All right, in that regard if you could turn to
5 Mass Media Bureau Exhibit 1, page 40.

6 MR. CRISPIN: Your Honor? Your Honor?

7 JUDGE CHACHKIN: Yes.

8 MR. CRISPIN: Just for the sake of the record
9 because there are so many documents, if the first time the
10 witness and whoever the examiner is would confirm that
11 they're talking about the same document somehow, they don't
12 have to identify it, but look at Exhibit 1. Is that the
13 letter of the 28th so that we -- like this past example
14 where one thought he was on 44 and one thought he was on 43.
15 Just for the sake of the record if just once, like in a
16 paragraph, just make sure that we're talking about the same
17 document so that this record doesn't get off track is my
18 suggestion.

19 JUDGE CHACHKIN: First of all, I would like the
20 Bureau when they refer to documents, or anybody refer to
21 documents refer to the person whose documents it is, if it's
22 Bureau documents, it's a Bureau exhibit and the number of
23 the Bureau exhibit, and the same with Pathfinder and Hicks
24 so there is no confusion in the record as to whose exhibits
25 they're looking at.

1 BY MR. SHOOK:

2 Q Okay, we're now looking at Bureau Exhibit 1, page
3 40.

4 A Correct.

5 Q And you had made the reference to a document that
6 you had sent to Mr. Dille being retyped and then sent back
7 to you?

8 A Yes. I thought it was on their letterhead. I
9 don't see that on Exhibit 40. I mean, page 40 of Exhibit 1,
10 so my recollection on that may be wrong. They may have just
11 signed the one I sent. John may have just signed the one I
12 sent to him without retyping it.

13 Q Considering that this transaction involving WRBR
14 was supposed to be seller financed, do you recall any
15 conversation between yourself and Mr. Dille as to why the
16 FCC would ask for a statement questioning whether he was
17 going to be involved in the financing?

18 A Did I? No, I did not discuss that with him, I
19 don't believe, in our conversation that that came up. It
20 was not an issue in my mind so there wasn't any reason to
21 raise it.

22 If you're asking me why they would have asked the
23 question, I assumed it would have had to do with the fact
24 that John had an attributable interest in the newspaper, but
25 that was not articulated to me by the staff person.

1 Q Okay, so you understood that the staff was
2 requesting for an amendment basically along the lines that
3 you prepared and was submitted?

4 A Correct.

5 Q But you don't have a specific recollection as to
6 why it was the staff asked for it?

7 A Correct. I didn't -- I don't recall discussing it
8 with the staff or asking them why they wanted it. What I
9 would normally do in a case like that is take their request,
10 send it out and find out if there was a problem or not. If
11 it wasn't going to be a problem, then we wouldn't get into
12 it.

13 Q So for purposes of our understanding in this
14 matter, if you're look at Mass Media Bureau Exhibit No. 1,
15 page 40 and 41, 40 being the statement that Mr. Dille
16 signed, and 41 being the letter that you sent to Mr. Hicks.

17 A Right.

18 Q In the absence of any definitive statement from
19 the staff, is this your understanding that this is
20 essentially the best evidence we have as to what the staff
21 was requesting?

22 A I think that 40 is the best evidence because
23 that's what I tried to put it down as accurately as I could
24 for purposes of signing.

25 Q Was there any discussion between yourself and Mr.

1 Dille as to whether there was anyone else in the Pathfinder
2 organization who could become substantially involved in the
3 day-to-day operations of WRBR?

4 A I don't recall any discussion like that, no. I
5 don't know that anybody -- well, outside of the joint sales
6 agreement and the way it operates, I didn't have any problem
7 with the involvement of anybody at Pathfinder under that
8 agreement.

9 Q If the involvement were in connection -- in
10 connection with the joint sales agreement, that would have
11 been okay as far as you were concerned?

12 A Yeah, I think that was okay, and we did discuss
13 that. There is a memo that we talked about, the March 4
14 memo that has a number of other items. And to the extent
15 those involve, you know, Pathfinder personnel, I didn't have
16 a problem with any of that.

17 Q Did there come a time when you were asked to
18 provide an opinion concerning Hicks' acquisition of WRBR in
19 response to a concern from the Crystal Radio Group?

20 A I was asked by Rick Brown, I believe, to provide
21 an opinion shortly before the closing, the closing on the
22 purchase of WRBR.

23 Q Do you remember what it was that Mr. Brown asked
24 you?

25 A I assume what was in the opinion. I think what he

1 articulated that they wanted to be sure that Dave Hicks'
2 involvement in WRBR would not, through this ownership and
3 involvement with Crystal, was not going to have a negative
4 impact on Crystal Radio.

5 Q Is it your understanding that a copy of that
6 letter made its way to anybody at Crystal?

7 A My opinion letter?

8 Q Yes, sir.

9 A I think I sent it to Mr. Sackley. I think that's
10 where it went.

11 Q Did you and he have a conversation about that
12 letter any time thereafter?

13 A No, I -- I amended it, I corrected one date in the
14 letter because I realized that I think I had a wrong date in
15 there as to the date the FCC approved the assignment. I
16 think I picked that up on my own and I think I sent him a
17 revised letter. I think that was the only change in it. I
18 didn't talk to him about it at that time.

19 Q Did there come --

20 A In fact, I don't think I ever talked to him about
21 the opinion.

22 Q Your recollection is that you never had a
23 conversation with Mr. Sackley about the opinion letter?

24 A I had a conversation with Mr. Sackley not at the
25 time I was writing the opinion. It's some time after that,

1 and I don't know how long after that. But at some point in
2 time he called me and raised a question not, I don't think,
3 in terms of the opinion but in terms of the assignment
4 application didn't have an option, a reference to an option,
5 and I told him that no, it didn't. I think I said to him
6 that, or he might have asked me, you know, shouldn't that
7 have been filed. And I said if there was an option, it
8 should be included in the assignment application and filed,
9 but it's my understanding that there was no option at the
10 time we filed the assignment application. I think that's
11 the conversation I had with Sackley.

12 Q Was there any follow-up conversation with him?

13 A Not on that point. At some point in time Mr.
14 Sackley sent me, I think, a summary copies of documents.
15 There was a lawsuit going on between David Hicks and Crystal
16 or Sackley, and I think he sent me material out of that
17 lawsuit, maybe a motion for a summary judgment. I don't
18 think we discussed it at that time. I think he just sent me
19 a copy and said here is this, and I put it in a pile and
20 didn't read it.

21 Q The operating agreement of Hicks Broadcasting of
22 Indiana was a topic of some brief discussion this morning.
23 In that regard, I'd like you to turn to Mass Media Bureau
24 Exhibit 3, page 87.

25 A That's the operating agreement?

1 Q Yes, sir.

2 A Okay.

3 Q Now, can you tell us approximately when you became
4 aware of the existing of this agreement?

5 A I think I became aware of it after the closing. I
6 knew the closing was scheduled for around March 30th - April
7 1st. I contacted Dave Hicks and told him if he needed us to
8 play any role in the closing. We were told no, that Rick
9 Brown was going to handle the closing, et cetera, and I
10 either told Dave or perhaps I told Rick Brown there are two
11 things we have to do. One is as soon as the closing occurs
12 let me know so I can notify the Commission, which is done by
13 a letter.

14 And then number two, we do need to file an
15 ownership report after the -- after the closing, within 30
16 days, I guess, of the closing an ownership report that would
17 include security agreements, pledge agreements, information
18 on the buyer, things of that nature.

19 I believe either I or someone in my office wrote a
20 letter to Rick Brown and said we need copies of these
21 documents to put into the ownership report, and I knew that
22 the operating agreement was one of the documents that --
23 like articles and bylaws for a corporation, the operating
24 agreement for an LLC would be something that you get filed
25 at the FCC.

1 Q Now, could you please turn to page 93 of Mass
2 Media Bureau Exhibit 3? And the section that I want you to
3 look at, you can just read it to yourself, is Section
4 7.4(b).

5 A Seven? On 93?

6 Q Page 93 of Mass Media Bureau Exhibit 3.

7 A Okay, 7.4.

8 Q (b).

9 A (b).

10 (Witness reviews document.)

11 THE WITNESS: Okay, I've read it.

12 BY MR. SHOOK:

13 Q Now, did there come a time when you became aware
14 of the call provision in the operating agreement?

15 A Yes.

16 Q And approximately when?

17 A Well, I think when the documents came in, I mean,
18 they came to me after the closing, and I went through them
19 for the purpose of deciding what had to get filed with that
20 ownership report. And I determined that the operating
21 agreement itself should get filed, and I also, I think, at
22 least briefly noticed that there was this call provision,
23 and there is a reference in the next section to the right of
24 first refusal, which are the kind of things that would get
25 filed with that ownership report.

1 Q Do you have any knowledge as to the circumstances
2 behind the inclusion of a call provision in the operating
3 agreement?

4 A No. I mean, it came up, as I understand it, at
5 the closing or shortly before. It was something that was
6 negotiated by Rick Brown on behalf of David and counsel for
7 the Dille children on the other hand.

8 Q And that's pretty much the extent of your
9 knowledge on that?

10 A Yeah, I don't remember discussing with anybody in
11 advance or during provisions of it. I went through it when
12 I got it primarily to make sure these were documents that
13 should be filed, and decided, yeah, this is one that should
14 be filed, and I guess I've used the term it's an option. I
15 guess it's labeled a call provision, but an option, and
16 that's something that would get filed with that ownership
17 report.

18 Q Did you happen to have a conversation with anyone
19 as to how the provision came into existence?

20 A Not that I recall.

21 Q Now, please turn to Mass Media Bureau Exhibit 48
22 and it's in the second volume of exhibits.

23 A I have that.

24 Q Now, in conjunction with the conversation that you
25 had with Mr. Watson that appears on page 2 of the exhibit,

1 and the various points that were covered, do you have any
2 recollection of whether or not you considered the hearing
3 designation order in the Trinity Broadcasting of Florida
4 proceeding that the Commission issued in April of 1993?

5 A No, I -- sitting here right now I'm not aware of
6 that case and I don't remember back at that time that I was.

7
8 Q Did you ever discuss the operations of WRBR with
9 John Dille prior to the filing of the information objection
10 by Niles against the applications which sought approval for
11 the assignment of WNDU-AM and FM to Pathfinder?

12 A Would you repeat? Did I ever discuss the
13 operations --

14 Q The operations of WRBR with John Dille.

15 A I don't think so. I mean, I discussed the
16 operation of his stations, but I don't remember a separate
17 discussion involving WRBR.

18 Q Did you ever discuss the operations of WRBR with
19 Robert Watson prior to the filing of the informal objection
20 by Niles against the application for the assignment of WNDU-
21 AM and FM to Pathfinder?

22 A Not that I recall, although it's possible. Bob
23 might have asked a question under the joint sales agreement
24 as to something that -- an operating issue under that.

25 Q So your present recollection would be that if you

1 had any conversation with Mr. Watson concerning WRBR, it was
2 concerned with the joint sales agreement?

3 A Yeah. I mean, I think if I had one, that's what
4 it what it would have been about. Yes.

5 Although, you know, earlier this morning we
6 discussed that renewal application for BYT and TRC. That
7 may have been the time frame you're talking about. And
8 since RBR was mentioned on that, I may have talked to Bob
9 about that aspect of it.

10 Q Was there ever a discussion between yourself and
11 anyone as to why David Hicks worked at Pathfinder stations
12 in Grand Rapids and was not working at Hicks Broadcasting of
13 Indiana, Station WRBR?

14 A I know I talked to either Bob or John Dille about
15 that at the time. I think the reasoning may have been one
16 that, you know, WRBR was working okay at that time. The
17 arrangement seemed to be working, so I guess it would have
18 been sense of, you know, why fix it if it ain't broke or
19 whatever.

20 I also think that the opening was at WCUZ, so I
21 assume that's why they were trying to find somebody to fill
22 that, and I know that Dave Hicks is from Michigan. Maybe
23 that's very close to Grand Rapids. I don't know if he was
24 able to work out of his house there or not. That's
25 possible. But I mean, there wasn't a conversation that

1 said, well, you know, he ought to go to RBR. No, we didn't
2 have that conversation.

3 Q In connection with Mr. Hicks becoming involved
4 with the Grand Rapids' stations, were you aware of any
5 allocation of Mr. Hicks' salary between Grand Rapids'
6 stations and WRBR?

7 A At that time I don't recall discussing that. I
8 know that I've seen it since then in the material that's
9 filed an allocation of that. I don't -- I don't remember at
10 the time if I discussed that aspect of it.

11 Q Did there come a time when you did discuss it?

12 A I think it's reflected in the material that got
13 filed in response to the Niles complaint, and I think it's
14 spelled out in there an allocation of his salary, but I
15 don't know that I discussed it other than seeing that it was
16 there and how it was allocated.

17 Q In connection with the 1996 renewal applications
18 for WRBR, WBYT and WTRC, did you discuss with anyone whether
19 the results of WRBR's EEO efforts should be included in the
20 Form 396, which was initially filed and reflected all three
21 stations on the same report?

22 A The discussion I would have had -- I don't recall
23 separately now, you know, a specific discussion, but I think
24 I would have said that if you're on that TRC, BYT and shared
25 employees of RBR report, that the numbers in that report

1 should reflect what occurred with those shared employees.
2 Whoever showed up on that report, the numbers in there ought
3 to reflect those persons. On the RBR 396, since there were
4 fewer than five people, you don't fill out the rest of the
5 form. It's just the first page.

6 Q I take it you're aware that subsequently an
7 amendment was filed which essentially separated out WRBR's
8 employees from those of WBYT and WTRC?

9 A Yes, an amendment was filed. I know we
10 introduced, I believe this morning, an exhibit that was my
11 memorandum of March 28th. I had intended by that memorandum
12 when the RBR renewal was filed, it should have a new 396
13 just reflecting the RBR employees that were not shared.

14 Unfortunately, I guess through my error or
15 somebody in the office, I think on that ownership or that
16 renewal for RBR got filed, it had the report for TRC, BYT
17 and the shared employees. It was not supposed to. That's
18 not what I intended, but it happened, and we amended it to
19 correct that.

20 Q Now, did there come a time when you became aware
21 of an amendment to the joint sales agreement between
22 Pathfinder and Hicks?

23 A Yes.

24 Q And do you know why that agreement was amended?

25 A I think Peter Tannenwald in our office was most

1 directly involved with that document, and I don't -- or that
2 amendment. I don't know if was because economic terms had
3 changed or conditions had changed, you know, that
4 necessitated an amendment, but I don't know specifically.

5 MR. SHOOK: Your Honor, I have a document that I
6 want to place before the witness and I have copies of
7 yourself and the court reporter and the parties.

8 JUDGE CHACHKIN: Go ahead.

9 (Pause.)

10 BY MR. SHOOK:

11 Q Now, Mr. Campbell, first of all, let me represent
12 to you that the document that you have copy of it is not the
13 entire document in the sense that there are a number of
14 attachments that I did not include is what I distribute to
15 the Judge and the parties.

16 First of all, with respect to the people who were
17 involved in the preparation of this document, if you could
18 turn, please, to page 36.

19 Now, I notice that -- it's my understanding that
20 Mr. Tannenwald signed this document?

21 A Yeah, that's his signature.

22 Q Now, who was involved in the office with this
23 document?

24 A I think the initial drafting was Jeff Timmons and
25 then it was reviewed by Peter Tannenwald, myself, the other

1 attorney, Tara Becht, and probably by John Dille and Bob
2 Watson, Dave Hicks.

3 Q Well, the reason that I ask is that in what we
4 have and I believe is a representation -- I'm not noticing
5 at the moment, but it's my understanding that there were no,
6 you know, declarations prepared for Mr. Dille or Mr. Hicks
7 or Mr. Watson in connection with this document.

8 Is that accurate?

9 A My recollection is yeah, that was accurate. I
10 think the approach we tried to take in this was to say that
11 based on the evidence that Niles had presented, you know,
12 taking that as face value rather than trying to introduce
13 new fact, we didn't think there was a case made, so we
14 deliberately tried to not bring in new facts in the
15 pleading.

16 Q But in terms of the factual representations made
17 in the pleading, did I understand you correctly that this
18 document was submitted to Mr. Hicks and Mr. Dille?

19 A I'm sure a copy of it was, yes. I know Dille and
20 I assume it was also submitted to Mr. Hicks.

21 Q There are a number of aspects of this that I'd
22 like to ask you about.

23 A Okay.

24 Q If you could, please, turn to the page that is
25 numbered 3. It's in the body of the document.

1 A Right.

2 Q And if you could read to yourself the first full
3 paragraph that appears on the page, that appears under the
4 heading "II. History of the JSA and Sale of WRBR."

5 (Witness reviews document.)

6 A Okay, I've read that.

7 Q Now, were you aware at the time that the document
8 was prepared that there was an accounting agreement that
9 existed between Pathfinder and Hicks?

10 A Yeah, I'm sure I was.

11 Q Now, was there any particular reason why the
12 accounting agreement wasn't referenced?

13 A No. Again, I think what we did was we took -- in
14 the pleading that Niles had filed they had a copious set of
15 documents that were attached to it, and, again, we tried to
16 limit our response to using those documents, and not
17 introduce anything new.

18 Q All right, could you turn, please, to the page
19 numbered 7?

20 A I have it.

21 Q And read to yourself Note 23.

22 MR. GUZMAN: Where are we referring again?

23 MR. SHOOK: That's page No. 7, Note 23.

24 (Witness reviews document.)

25 THE WITNESS: Okay, I've read that.

1 BY MR. SHOOK:

2 Q Now, what is the basis for stating that, in
3 parentheses, "(The delay in negotiations because Hicks not
4 satisfied with price negotiated by Dille)?"

5 A I think the basis would be to that, I believe, the
6 56 would be to -- it looks like the Booth deposition.

7 Q Wasn't it the case though that the price that
8 Hicks Broadcasting of Indiana signed for in respect to the
9 asset purchase agreement was exactly the same price that
10 Pathfinder had negotiated?

11 A I think I was asked earlier that if the price with
12 Pathfinder was at 660,000. I think it had been. I don't
13 remember reflecting on that when we did this. Again, I
14 think this is -- this is going to Booth's deposition and
15 what he said, and I'm assuming if you had all the
16 attachments that that's what -- that's what Booth would say.

17 I think there is also evidence in here that, you
18 know, when John Dille talked to Dave Hicks at an earlier
19 stage Hicks had talked -- had already talked directly to
20 Booth, and I think that reference may be to the earlier, the
21 earlier conversations. I think the 750 may have been
22 Booth's original asking price. When he tried to sell the
23 station and talked to people, he might have used that price
24 as an initial start.

25 Q Would you please turn to the page numbered 11?

1 A I have it.

2 Q The sentence that I want you to focus on is the
3 second full sentence beginning with "Dille has not
4 provided..."

5 A Right. Okay.

6 Q What back checking, if any, was done to determine
7 the accuracy of that statement?

8 A I don't know if that was reflected that we cite to
9 anything there or whether that was a -- 35. Well, I see the
10 cites to the documents in Footnote 35, and I assume those
11 reflect that statement. So, again, I'm -- you know, as I
12 say, Jeff Timmons was the initial scrivener and what we were
13 trying to do was take the documents that had been submitted
14 so that we weren't -- we were trying to get through this
15 without bringing in additional facts to try to resolve this
16 as quickly as we could at the staff level.

17 Q Do you happen to know whether that statement is
18 accurate?

19 A Yeah, I think it is.

20 Q It's your understanding to this day that that
21 statement is accurate?

22 A Yes.

23 Q Could you turn, please, to the page numbered 16?

24 A Okay.

25 Q And read to yourself the first sentence of the

1 second full paragraph.

2 A I see that.

3 Q Now, how was it determined that Mr. Dille's
4 statement was made and intended literally?

5 A Well, I mean, I think that's quoting the amendment
6 that was filed at the FCC, and that's what it said.

7 Q No, I understand what -- I understand what the
8 statement said. But this gets into what the statement meant
9 and how it was intended.

10 And my question is how was it determined what Mr.
11 Dille intended by this statement?

12 A I assume that, again, this was seen by Mr. Dille
13 and that that would have been run by him as to whether that
14 was his intent at that time. I don't -- I can't sit here
15 right now and say that we asked him that. I can't recall
16 asking that question specifically.

17 Q Could you turn, please, to the page numbered 24?

18 A I see it.

19 Q And under the heading "H," it's that paragraph.
20 Could you focus on the last sentence beginning with "Hicks
21 Broadcasting LLC properly..."?

22 A Okay, I've read it.

23 Q Now, how was -- do you recall how it was
24 determined for the purpose of this pleading that that
25 statement is accurate?

1 A Again, I think going through the entire
2 documentation that had been submitted, our understanding of
3 what had occurred, we felt that was an accurate statement.

4 Q What understanding was there as to the members'
5 financial resources?

6 A The -- I think there is evidence submitted either
7 in this or in subsequent pleadings about where funds came
8 for different payments under Hicks -- to Hicks, and that's
9 where that came from.

10 Q If what you're thinking of is the response to the
11 letter of inquiry that the Commission was sent --

12 A Right.

13 Q -- the record reflects that the response was
14 prepared some five months after this document.

15 A Right. Yeah, it came after this.

16 I mean, that was the -- that was the thrust of it,
17 that the station was going to generate cash flow that would
18 make payments under the joint sales agreement that could
19 make the payments to Booth American. To the extent they
20 couldn't, members, the members, the Dille children and Dave
21 Hicks, their finances could provide whatever additional
22 resources were required.

23 Q Right. And my question is what understanding was
24 there as to what the members' financial resources actually
25 were?

1 MR. GUZMAN: Objection. I think the question is
2 ambiguous. Who is holding this understanding to which
3 you're referring?

4 MR. SHOOK: The representation made in this
5 document.

6 JUDGE CHACHKIN: The document you're looking now,
7 what page?

8 MR. SHOOK: Okay, it's page 24, the last sentence
9 of the first paragraph under heading "H."

10 JUDGE CHACHKIN: I'll overrule the objection.

11 THE WITNESS: I don't remember that -- I'm not
12 aware that we went and got, you know, balance sheets or
13 anything like that to check the children's financial
14 wherewithal. I mean, my understanding from representation
15 of Pathfinder is that the children had a trust and had been
16 shareholders of the stations. I think they were working,
17 some or all. So I assumed they had some resources in their
18 own names. But I don't think we went into detailed analysis
19 of exactly what each person's balance sheet and net worth
20 was.

21 BY MR. SHOOK:

22 Q Could you turn to the page numbered 27?

23 A I have it.

24 Q What I would like you to focus on is the first --
25 well, actually, in fairness, I believe you need to read,

1 read to yourself, please, from the beginning of the
2 paragraph that begins on the page numbered 26.

3 (Witness reviews document.)

4 A Okay, I've read that.

5 Q Now, focusing on the sentence that -- the two
6 sentences that begin, "This ebb and flow" that appear on the
7 page numbered 27, what understanding did you have as to what
8 money was actually being advanced by one side or the other
9 in connection with the accounting arrangement that
10 Pathfinder and Hicks had?

11 A I think that the citation to that would go to the
12 Footnote 91 where there is a reference to the Watson
13 deposition. I assume that would be the source of that
14 sentence.

15 Q To the effect that there was an ebb and flow of
16 cash surpluses and deficits, but no loan as such?

17 A Correct. I don't think -- my understanding is
18 that it wasn't treated as a loan by Pathfinder or Hicks. It
19 was somewhat akin to what was under the joint sales
20 agreement with Booth where there was a carry balance.

21 Q Well, along those lines while we're on that topic,
22 could you please turn to Mass Media Bureau Exhibit 1, page
23 18?

24 A Okay.

25 Q The sentence I'd like you to focus on with respect

1 to Section 4.4(a) is the last sentence.

2 A All right, I see that.

3 Q Now, did there come a time when you became aware
4 that the expenses of Hicks exceeded its revenues by more
5 than \$5,000 in any given month and then what happened after
6 that?

7 A At the time, no. I mean, if that occurred in
8 April or November of '94, I don't think I was aware of it
9 then. Through the filings that have been made in detail of
10 how the ebb and flow went, I think you can construct when it
11 was a positive and when it was a negative.

12 Q So at some point you have seen the financial
13 statements for Hicks Broadcasting?

14 A No, what I've seen is what was in that -- I think,
15 in the response to the inquiry where there is a detail of
16 that, as I recall.

17 Q And with respect to that, did you ever have an
18 understanding that expenses ever did exceed revenues by more
19 than \$5,000 in any given month?

20 A Again, looking at the document, I think there were
21 months where it did.

22 Q And do you have any knowledge as to whether or not
23 Hicks reimbursed Pathfinder for the amount over \$5,000?

24 A I'm sure that eventually they did. On a monthly
25 basis, I don't think they did.

1 Q Do you have any understanding as to why that
2 didn't happen?

3 A No, that was the arrangement that was made. I
4 don't recall any discuss about why it wasn't going to be
5 evened up on a monthly basis or above or below a \$5,000
6 number.

7 Q Okay. Returning to the document that we've been
8 looking at, which I should have stated this in the
9 beginning, is entitled "Consolidated Opposition To Informal
10 Objection."

11 I'd like you to now focus on the third sentence on
12 page 27, page numbered 27, under the heading "J."

13 A "Accordingly"?

14 Q Yes, sir. Just read that to yourself.

15 And could you tell us what the factual basis for
16 that statement is in your understanding?

17 A I don't see a citation to the -- for that in that
18 sentence to any specific documentation. It may be when you
19 refer back to the earlier parts of this it's addressed. I
20 mean, I can't sit here right now and say I know that that
21 statement is based on the following. I don't have a
22 recollection of where -- of that particular fact.

23 Q Well, what I'd like you to do at this point is
24 turn to the Mass Media Bureau Exhibit No. 36 that has been
25 identified but is not yet in evidence.

1 A Thirty-six?

2 Q Yes, sir.

3 A Okay.

4 Q Just read it to yourself?

5 (Witness reviews document.)

6 A Okay, I've read it.

7 Q My question to you is where you aware of the
8 existence of this document prior to now?

9 A I don't think I've seen it before today.

10 Q Were you aware of the information contained in the
11 document prior to now?

12 A No, I don't think so.

13 Q Okay, returning to the Consolidated Opposition to
14 Formal Objection, could you please turn to the page numbered
15 30?

16 A I have it.

17 Q Under the heading "K," if you could read to
18 yourself the second sentence that begins on page 30 and
19 extends to page 31?

20 (Witness reviews document.)

21 A Okay, I've read that.

22 Q Was this statement derived as a result of any
23 conversations between yourself and either Mr. Dille or Mr.
24 Hicks, or is this based on your experience?

25 A Oh, whether it's extraordinary or whatever?

1 You know, I think that was the collective opinion
2 of myself, Peter, Jeff Timmons. We had that sentence in
3 there and felt it was an accurate statement. You know,
4 every -- I guess, every deal whatever people agreed to was
5 what they agreed to.

6 Q Could you turn, please, to the page numbered 31?

7 A Okay.

8 Q The second full paragraph, specifically focusing
9 on the second sentence.

10 A Okay, I've read it.

11 Q And how is -- do you recall how it was that this
12 actual determination or this determination was made?

13 A Well, I knew that there were independent counsel
14 advising, or that Rick Brown was involved advising Dave
15 Hicks, and I knew that there was local counsel, and I can't
16 recall the precise name, advising the Dille children on the
17 agreement, and that was the basis for that.

18 Q Finally, could you focus on the final paragraph?
19 I guess it's a fairly long sentence. It begins on page 31
20 and extends to page 32.

21 (Witness reviews document.)

22 A Okay, I've read that sentence.

23 Q Focusing particularly on the statement that reads,
24 "In fact, after some initial operating losses during the
25 first few months," et cetera, how was this determined?

1 A I don't know if you go back into what's been --
2 you know, that was submitted with the informal objection and
3 go through all of the documentation in there and the early
4 responses, I don't know if that -- if we drew that as a
5 conclusion based on all of that.

6 Q Was this something that was discussed with either
7 Mr. Hicks or Mr. Dille?

8 A I don't have an independent recollection that it
9 was specifically. Again, I think the document was sent to
10 them for review. And to the extent they had any suggestions
11 to change anything, I'm sure we would have incorporated them
12 in there.

13 MR. SHOOK: Your Honor, the Bureau would like this
14 document marked for identification as Mass Media Bureau
15 Exhibit 129.

16 JUDGE CHACHKIN: The document will be so marked.
17 (The document referred to was
18 marked for identification as
19 MMB Exhibit No. 129.)

20 MR. SHOOK: And we offer it.

21 JUDGE CHACHKIN: Any objection?

22 MR. GUZMAN: None, Your Honor.

23 JUDGE CHACHKIN: The exhibit is received.

24 //

25 //

1 (The document referred to,
2 having been previously marked
3 for identification as MMB
4 Exhibit No. 29, and received
5 into evidence.)

6 MR. SHOOK: Your Honor, the Bureau has no further
7 questions.

8 JUDGE CHACHKIN: Let me ask you this, Mr.
9 Campbell. Let's focus back on your conversation with the
10 Bureau staff.

11 Could you tell me in your own words about the
12 conversation?

13 THE WITNESS: I think the person called me up,
14 said they had the application. We needed to file an
15 amendment submitting the noncompetition agreement, a
16 statement that John Dille and the Dilles would not be
17 involved in the day-to-day operation of WRBR, and that they
18 wouldn't finance the acquisition of the station by Hicks
19 Broadcasting. I think that's the conversation I had with
20 that person.

21 JUDGE CHACHKIN: So you had this conversation, and
22 after -- and you had questioned the individual about what
23 they were seeking or why they were seeking it the
24 information?

25 THE WITNESS: No, I don't believe I did. I think

1 I accepted what they asked for and tried to file a response
2 back.

3 JUDGE CHACHKIN: All right. So then turning to
4 Bureau Exhibit, page 40.

5 MR. SHOOK: Your Honor is referring to Mass Media
6 Bureau Exhibit 1, correct?

7 JUDGE CHACHKIN: Mass Media Bureau, yes.

8 THE WITNESS: Forty?

9 JUDGE CHACHKIN: Mass Media Bureau Exhibit 40.

10 MR. SHOOK: I believe that --

11 JUDGE CHACHKIN: Oh, Bureau Exhibit 1, page 40.

12 MR. SHOOK: I'm sorry, Your Honor.

13 JUDGE CHACHKIN: Bureau Exhibit 1, page 40.

14 Do you have that?

15 THE WITNESS: Yes.

16 JUDGE CHACHKIN: Well, not page 40, page 41, page
17 41.

18 You then wrote a letter to Mr. Hicks setting forth
19 what your understanding was what the Bureau wanted; is that
20 correct?

21 THE WITNESS: Yes.

22 JUDGE CHACHKIN: And in that letter you
23 specifically state that the Commission staff wanted a
24 statement that John Dille and his father would not be
25 involved -- will not be involved in the day-to-day to

1 operations of WRBR and will not participate in the financing
2 of the purchase of the station for John's children.
3 That's the language you used there.

4 THE WITNESS: Correct.

5 JUDGE CHACHKIN: Now, when you said "John's
6 children," did you not mean that -- isn't that what you
7 meant to say was -- well, let me -- wasn't it your
8 understanding then that the Commission was concerned whether
9 John Dille was going to provide financing to John Dille's
10 children in connection with the purchase of the station?

11 THE WITNESS: No, I think that statement was the
12 amendment -- excuse me.

13 JUDGE CHACHKIN: I'm not talking about the
14 amendment.

15 THE WITNESS: Well, I understand.

16 JUDGE CHACHKIN: I'm talking about the letter that
17 you wrote.

18 THE WITNESS: I think that that was loose language
19 on my part that wasn't trying to be precise with what the
20 staff person had precisely asked for.

21 JUDGE CHACHKIN: That may be --

22 THE WITNESS: I think that was using common terms,
23 I guess.

24 JUDGE CHACHKIN: All right, but this is common
25 terms.

1 THE WITNESS: Right.

2 JUDGE CHACHKIN: So you knew that it involved
3 financing, providing the financing for John's children in
4 connection with the purchase of the station. You
5 interpreted it that way, did you not?

6 THE WITNESS: No, I interpreted it that they
7 couldn't provide the financing to Hicks Broadcasting.

8 JUDGE CHACHKIN: That's not what it says in this
9 letter though.

10 THE WITNESS: I understand that, Your Honor.

11 JUDGE CHACHKIN: Well, --

12 THE WITNESS: But it's not --

13 JUDGE CHACHKIN: -- you spoke to someone on the
14 Commission staff and this is a letter that you wrote right
15 after the conversation setting forth your understanding of
16 what the Commission wanted.

17 THE WITNESS: Correct. But I think that when I
18 sent that letter I was not trying to be precise with the
19 exact language that they had asked for. I think when I sat
20 down and tried to do the amendment that went -- this was a
21 letter that went to Dave Hicks who was not the person who
22 was going to sign the amendment. That would be something
23 that John Dille and not Dave Hicks.

24 JUDGE CHACHKIN: Well, wait a minute -- go ahead.
25 I'm sorry.